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STATE OF MONTANA

TWENTY-FIFTH ANNUAL
REPORT

of the

INDUSTRIAL ACCIDENT BOARD

For The Twelve Months Ending

June 30, 1940

~~SAFETY FIRST SEAL~~

WORKMEN'S COMPENSATION ACT

In Effect July 1, 1915
as to Compensation
Provisions

MEMBERS OF THE BOARD

J. BURKE CLEMENTS, Chairman JOHN J. HOLMES, State Auditor
JOHN T. KELLY, Commissioner
Of Labor

ADMINISTERING:

WORKMEN'S COMPENSATION ACT
SAFETY INSPECTION LAWS
BOILER INSPECTION LAWS
STATIONARY ENGINEERS' LICENSE LAWS
QUARTZ MINE INSPECTION LAWS
COAL MINE INSPECTION LAWS

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LETTER OF TRANSMITTAL

October 1, 1940

To his Excellency, Roy E. Ayers
Governor of the State of Montana

Dear Sir:

Pursuant to the mandate of the compensation laws of the state of Montana, we have the honor to transmit herewith our twenty-fifth annual report covering the administration of the Workmen's Compensation Act by the Industrial Accident Board for the twelve months' period ending on June 30, 1939.

Our report is prepared in simple form, but we are sure it carries essential facts with reference to the activities of the Industrial Accident Board and the operation of the Industrial Accident Fund.

In addition to having jurisdiction in the adjustment of compensation cases under all three plans and jurisdiction in the matter of the enforcement of the safety laws, the Industrial Accident Board is charged with the duty of administering or managing the Industrial Accident Fund.

The Industrial Accident Board therefore is conducting a workmen's compensation insurance business for the state of Montana. It is pleasing to report a steady growth of this business. Previously the Board has mentioned specifically the figures showing the fund's condition over a long period of time, but in this report we are showing the growth of the business for a five year period.

The premium income for the fiscal year ending June 30, 1935 was \$920,485.30. The compensation and medical and hospital payments for the same year were \$869,501.75. The premium income for the year 1939-1940 was \$1,241,569.01 and the payments for compensation and medical and hospital were \$1,229,516.04. The industrial accident and reserve fund in 1935 equaled \$613,862.30 and on June 30, 1940 it equaled \$935,229.21, a growth of more than \$300,000.00. At the time of making this report, the accident and reserve funds had reached \$1,007,840.95.

This is the first time in the history of the administration of the Montana Workmen's Compensation Act that the cash and reserve funds have reached one million dollars. While the figure indicates a healthy condition of the financial affairs of the department, it must also be noted that the liabilities of the fund have increased proportionately.

Respectfully submitted,

INDUSTRIAL ACCIDENT BOARD

J. Burke Clements

Chairman.

J. T. Kelly

Commissioner.

John J. Holmes

Commissioner.

INDUSTRIAL ACCIDENT BOARD

FINANCIAL STATEMENT

June 30, 1940

ASSETS:

CASH FUNDS

Industrial Accident Fund	104,465.15	
Industrial Reserve Fund	<u>7,652.58</u>	
	112,117.73	
Less Warrants Outstanding	<u>23,410.63</u>	
Total Cash in Banks		88,707.10
Accident Fund Investments	40,692.18	
Reserve Fund Investments	799,471.36	
Registered Warrants	<u>6,557.57</u>	
Total Investments		<u>846,522.11</u>
Total Cash and Invested Funds		935,229.21

LIABILITIES:

Premium Income	11,437,866.69	
Recoveries from Judgments	<u>29,025.02</u>	
	11,466,891.71	
Less Compensation Paid	<u>11,157,415.82</u>	
Net Premium Income		309,475.89
Initial Deposits		135,001.01
Special Deposits		7,187.84
Interest Earned		<u>483,564.47</u>
Total Income		<u>935,229.21</u>

In addition to the above, there is on deposit with the treasurer of the Industrial Accident Board, United States Bonds in the amount of \$595,000.00, deposited by insurance companies to guarantee the fulfillment of their obligations under the Workmen's Compensation Act.

STATISTICAL STATEMENT FOR YEAR ENDING JUNE 30, 1940

	<u>PLAN I</u>	<u>PLAN II</u>	<u>PLAN III</u>	<u>ALL PLANS</u>
Number Employers Under Act June 30, 1940	48	990	3,586	4,624
Number Fatal Accidents Year Ending June 30, 1940	29	6	35	70
Number Permanent Total Accidents Year Ending June 30, 1940	6		10	16
Number Permanent Partial Accidents Year Ending June 30, 1940	14	13	218	275
Number Temporary Total Accidents Year Ending June 30, 1940	1,563	1,925	7,708	11,196
<u>Total Number Accidents</u>	<u>1,642</u>	<u>1,944</u>	<u>7,971</u>	<u>11,557</u>
Number Accidents No Compensation Paid	553	1,644	6,105	8,302
Disbursed for Funeral Expense	3,362.00	450.00	4,350.00	8,162.00
Disbursed for Medical Expense	7,174.51	40,550.53	163,674.33	231,399.37
Disbursed for Hospital Expense	3,021.71	9,712.04	70,742.13	83,475.88
Disbursed for Fatal Accidents	99,335.79	16,196.34	161,737.43	277,269.56
Disbursed for Permanent Total Disability	20,745.41	3,219.28	30,697.41	54,662.10
Disbursed for Permanent Partial Disability	95,560.85	10,564.53	462,667.84	568,793.22
Disbursed for Temporary Total Disability	468,945.96	104,163.64	295,072.95	868,182.55
Disbursed for Temporary Partial Disability			945.35	945.35
Disbursed for Hearings, Proceedings, and Medical Examinations			19,628.60	19,628.60
<u>Total Compensation Paid</u>	<u>\$ 698,146.23</u>	<u>\$ 184,856.36</u>	<u>\$ 1,229,516.04</u>	<u>\$ 2,112,518.63</u>

STATISTICAL STATEMENT FOR TWENTY-FIVE YEAR PERIOD ENDING JUNE 30, 1940

	<u>PLAN I</u>	<u>PLAN II</u>	<u>PLAN III</u>	<u>ALL PLANS</u>
Number Fatal Accidents	1,360	240	677	2,277
Number Permanent Total Accidents	69	23	69	161
Number Permanent Partial Accidents	1,603	566	1,894	4,057
Number Temporary Total Accidents	<u>60,909</u>	<u>43,459</u>	<u>75,623</u>	<u>160,991</u>
Total Number Accidents Reported	63,941	44,282	79,263	187,486
Number Accidents No Compensation Paid	38,421	34,731	54,151	127,303
Disbursed for Funeral Expense	130,970.42	19,053.71	82,050.00	232,074.13
Disbursed for Medical Expense	99,454.13	777,470.48	1,766,740.94	2,643,665.55
Disbursed for Hospital Expense	37,055.93	166,271.78	628,795.89	832,123.60
Disbursed for Fatal Accidents	3,264,612.53	566,640.58	1,884,349.51	5,737,802.62
Disbursed for Permanent Total Disability	232,804.86	78,659.21	375,143.50	686,607.57
Disbursed for Permanent Partial Disability	1,319,723.23	286,992.39	3,016,270.83	4,624,986.45
Disbursed for Temporary Total Disability	5,392,486.63	1,361,183.82	3,260,152.36	10,053,824.81
Disbursed for Temporary Partial Disability			31,748.69	31,748.69
Disbursed for Hearings, Proceedings, and Medical Examinations			<u>90,786.05</u>	<u>90,786.05</u>

Total Compensation Paid

\$ 10,497,109.73

\$ 3,280,471.97

\$ 11,156,037.77

\$ 24,933,619.47

PREMIUM INCOME FOR EACH FISCAL YEAR

1930 - 1940

June 30, 1930	\$ 465,102.56
June 30, 1931	370,750.72
June 30, 1932	328,498.80
June 30, 1933	336,662.81
June 30, 1934	512,292.02
June 30, 1935	920,485.30
June 30, 1936	1,005,779.17
June 30, 1937	1,206,931.11
June 30, 1938	1,258,643.67
June 30, 1939	1,082,587.32
June 30, 1940	1,241,569.01

COAL MINE INSPECTOR'S REPORT

Herewith I submit my report for the fiscal year ending June 30, 1940.

GENERAL CONDITIONS

The condition of the industry from the point of production, men employed, etc., has not changed to any appreciable extent.

The railroad mines are the chief producers and there appears to be no falling off in their business. The commercial mines have to struggle as best they can against the competition of natural gas, fuel oil and hydro-electric power. The future is not bright for them apart from the possible requirements of the re-armament program.

FATAL ACCIDENTS

There were three fatal accidents during the year. Each was investigated and discussed from every point of view with the employers and the members of the safety committees representing the miners, with the view of preventing accidents of a similar nature. The co-operation of the men and the management in these investigations is appreciated. Safety first is being continually stressed, and our fatality rate compares favorably with the rates of the other coal mining states.

STATISTICAL DATA

Years	Men Employed (average)	Production (tons)	Value
1901-1910 Inclusive	2,777	18,897,541	Not given
1911-1920 Inclusive	3,950	34,821,324	\$ 64,372,502.00
1921	4,300	3,392,031	9,365,230.00
1922	4,431	2,818,654	8,559,192.00
1923	4,097	3,140,837	9,905,625.00
1924	3,035	2,998,779	8,172,150.00
1925	2,496	2,252,899	6,652,009.00
1926	2,431	2,738,739	6,691,548.00
1927	2,250	2,865,203	6,735,545.00
1928	2,159	3,111,339	7,251,854.00
1929	2,060	3,319,630	7,453,699.00
1930	1,962	3,258,540	6,742,093.00
1931	1,757	2,706,463	5,390,787.00
1932	1,563	2,279,667	4,315,747.00
1933	1,887	2,017,275	3,369,141.00
1934	1,678	2,299,795	3,434,242.00
1935	1,664	2,618,491	4,098,134.00
1936	1,591	2,955,571	4,443,137.00
1937	1,412	2,825,000	3,818,726.00
1938	1,443	2,746,118	4,186,649.00
1939	1,450	2,790,092	4,250,340.00
1940	1,605	2,776,315	3,781,416.00

GENERAL DATA

The following figures give the general data of the industry for the year. Most of the small operators did not fill out and return the data slips that were mailed to them and in consequence their production, etc., is estimated.

Tons of coal produced	2,776,315
Value at the mines	\$3,781,416.00
Kegs of powder used	46,118
Cases of dynamite used	9,233
Pellet powder (#50) cases	5,393
Number of men employed	1,605
Number of fatalities	3
Average number of days worked	186

Respectfully submitted,

Edward Davies
State Coal Mine Inspector

QUARTZ MINE INSPECTOR'S REPORT

Complying with the provisions of the state mining laws requiring an annual report as quartz mine inspector I hereby submit my report for the fiscal year just ended.

During the past year the metal mining industry has been fortunate in experiencing an "average" year. By that is meant that metal prices have kept up to a point where continuous operation was possible.

The prices for base metals have been fairly strong and steady, especially copper and zinc. The demand for copper, lead and zinc will no doubt continue for a considerable period due to the war preparedness demands.

It can be expected that a number of other mineral deposits in the state, (chromium, tungsten and manganese) will be carefully surveyed by the government as possible sources of these strategic metals. There are extensive deposits of these minerals in the state which heretofore have not been commercial due to the cheaper foreign sources of supply. With the curtailment of foreign shipments on account of the war, Montana deposits have a new value.

Gold mining during the past year has shown an increase. A number of new placer plants, both "floating" and "dry land" have come into production, and prospect drilling is being conducted in many places precluding the installation of more gold recovering plants in the near future.

All of the principal mining districts in your inspector's territory were visited during the year and as many of the mines as possible were inspected. Your inspector's duties are chiefly related to the safety conditions in the mines and in this connection will say the mines of Montana are generally operated with a high regard for all safety rules.

Without question safety conditions in any mine depend first of all upon the determination of the management of the property to make mining safe; thereafter it is the co-operation of all others to keep the hazards at a minimum. I can say that co-operation along this line is good. The only possible exception is perhaps ventilation (in a few cases); this is an integral part of safety in any mine, and more study and attention is due and should be given.

Natural ventilation is almost always inadequate and fans on the surface or underground should be vital equipment to furnish fresh air. Managers will find that a miner will

give a better day's work in good air, that is from a dollar standpoint; and from a humanitarian view, which is more than the dollar, he will live longer.

Through the Bureau of Mines, a program of first aid instruction has been started which will be conducted in the principal mining camps of the state. This is invaluable instruction for anyone; that it is especially so to the miner is obvious. Many thanks to the United States Bureau of Mines are tendered for this fine service.

All complaints received were promptly investigated.

To improve safety conditions, suggestions and orders for betterments were as follows: Removal of buildings as fire hazards, timbering and filling stopes, retimbering drifts and shafts, driving raises for ventilation, and providing safety exits, storing powder in magazines, grizzlies, guard rails, etc.

Fatal accidents and causes for the period of the report were:

- 1 - Blasting underground
- 1 - Electrocution (in mill on surface).
- 1 - Fell into open pit (surface)
- 1 - Loading ore from bin to truck (surface)
- 1 - Caught in trommel of placer washing plant (surface)

Respectfully submitted,

Ben Henry
Quartz Mine Inspector

QUARTZ MINE INSPECTOR'S
R E P O R T

I submit the following safety report of the metal mines in the district I am assigned to for the year ending June 30th, 1940.

I visited and made an inspection of all working mines and mills and found that safety conditions are being given due consideration in all working places; that this is done is evidenced by the fact that fatal accidents have decreased this year and last from previous years, though the number is still too high. Everybody concerned must be on the alert as to causes and prevention of accidents in and around the mines.

Dust elimination in the mines is receiving increased attention as almost every mine is using wet drilling, and the large copper and zinc mines in the Butte district are, in addition, using a water sprinkling system after blasting in stopes and drifts, and also on the haulage ways, which goes far towards removing the dust hazard.

During the past year copper and zinc mines have increased production; gold mines, too, are working to apparent capacity.

Ventilation is one of the main problems in the large mines; to reduce the temperature in working places large air cooling plants are being installed in addition to the large fans that are installed at the outlet air shafts. Small high-speed fans with tubing varying in size from 12" to 36" are used to carry air into dead ends such as drifts and raises.

In all mines where electricity is available the electrid head-lamps are in use by the miners. This gives better light than the carbide lamp and consequently is an improvement from a safety standpoint.

I find operators in all instances are more than willing to observe safety first rules, and thereby eliminate accidents. With the co-operation of the miner this can be made a desired reality.

I herewith submit a list of fatal accidents for the year ending June 30, 1940.

MINES

Fall of ground	8
Falling timber	1
Falling in chute	2
Falling in manway	1
Falling in shaft	1
Caught between motor and chute . . .	1

SMELTERS

Caught between magnet and ladle on converter floor	1
Unknown	1
Total fatal accidents	16

Respectfully submitted,

Dennis Murphy
State Quartz Mine Inspector.

SAFETY INSPECTION DEPARTMENT

The work of inspecting boilers, manufacturing plants, quartz mines, and coal mines, has been carried on for the fiscal year by the following persons:

Boiler and Plant Inspectors: L. A. Diamond
Pat Whalen
E. A. Prater

Quartz Mine Inspectors: Ben Henry
Dennis Murphy

Coal Mine Inspector: Edward Davies

The following table shows the result of the inspectors' work and the fees collected for inspections:

WORK OF SAFETY BUREAU FOR YEAR 1939-1940 (Fiscal Year July 1, 1939 to June 30, 1940)

Inspectors	Months Worked	Licenses Issued	Safety Inspections	Boilers Inspected	Cash Collected
L. A. Diamond	12	235	991	252	\$ 8,201.03
E. A. Prater	12	159	560	291	5,100.51
Pat Whalen	12	390	845	488	9,260.74
Ed Davies	12	0	0	116	638.46
Ben Henry	12	0	0	80	415.52
Dennis Murphy	12	0	0	30	822.00
Office	12	2416	0	0	2,815.00
TOTALS		3200	2396	1257	\$27,253.26